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Message Text

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ORIGIN PM-04

INFO OCT-01 NEA-10 ISO-00 L-03 NSC-05 SP-02 SS-15
CIAE-00 INR-07 NSAE-00 MC-02 AID-05 IGA-02 EB-08
OMB-01 TRSE-00 ACDA-07 H-01 /073 R

DRAFTED BY PM/SAS:DRKEENE/NEA/ARN:TCAROLAN:RF
APPROVED BY PM - RAERICSON
NEA/ARN - MR. DRAPER
L/PM - MR. MICHEL
DOD/DSAA - MR. BARNTHOUSE
T - MR. LEDOGAR(DRAFT)
S/S - MR. SEBASTIAN
----------261910Z 127948 /50
R 252209Z MAR 77
FM SECSTATE WASHDC
TO AMEMBASSY AMMAN
INFO SECDEF

C O N F I D E N T I A L STATE 066971

E.O. 11652: GDS

TAGS: MASS, JO

SUBJECT: FINANCING OF JORDAN FMS PROGRAM

REF: A) STATE 59039 B) MAP/AMMAN 681 C) STATE 25388

1. TREASURY DEPARTMENT IS REQUIRED BY LAW TO REPORT TO CONGRESS DEFICIENCIES IN FMS ACCOUNTS AS OF MARCH 31 AND SEPTEMBER 30 OF EACH YEAR. FURTHER, THE LAW DOES NOT AUTHORIZE DOD TO MAKE PAYMENTS FROM ITS OWN FUNDS IN BEHALF OF COUNTRIES IN DELINQUENT STATUS. INCLUSION OF DATA ON SUBSTANTIAL JAF ARREARAGES IN REPORTS TO BE COMPILED AS OF MARCH 31, 1977 WOULD INEVITABLY GIVE RISE TO QUESTIONS.
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2. UNDER THESE CIRCUMSTANCES, DOD PROPOSES TO REVISE SCENARIO OUTLINED PARAS 2-5 REFTEL A, BY WHICH WE HAD HOPED TO DEFER ACTION TO RESTRUCTURE OUR FY 1977 GRANT AID (MAP) PROGRAM FOR JORDAN IN ORDER TO COVER JAF'S FMS ARREARAGES. DOD ADVISES THAT IT WILL BE REQUIRED TO CONVERT UP TO DOLS 49 MILLION FOR ITEMS IN OVERDUE FMS

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CASH CASES FOR JORDAN INTO MAP-FUNDED ACCOUNTS NLT 31 MARCH 77. (DOD WILL DO THIS BY ISSUING MAP ORDERS TO ITS MILITARY DEPARTMENTS TO COVER PAYMENTS OVERDUE ON SUCH MAJOR END-ITEMS AS C-130 AIRCRAFT (CASE SBT), 2-1/2 TONS

TRUCKS (CASES UPM, UPN, UPP, UPQ), AND HOWITZERS (CASES URX, USA AND USK).) THIS ACTION, TOGETHER WITH JAF'S RECENT DEPOSIT OF DOLS 14 MILLION (REF B), WILL RESTORE JORDAN'S FMS ACCOUNT TO A SOUND FINANCIAL FOOTING FOR THE TIME BEING.

3. IF GOJ SHOULD SUCCEED DURING FY 1977 IN PERSUADING SOME ACCEPTABLE THIRD COUNTRY TO CO-SIGN THE PROMISSORY NOTE FOR THE FY 1976 FMS CREDIT AGREEMENT, WE WOULD THEN BE IN A POSITION EITHER TO RESTORE ITEMS DELETED FROM THE FY 77 MAP, TO THE EXTENT FUNDS ARE AVAILABLE FOR THE FY 77 MAP PROGRAM, OR TO USE FY 76 FMS CREDIT FOR THE DELETED MAP ITEMS. THE ACTION OUTLINED PARA 2 ABOVE IS NECESSARY TO FOLLOW SOUND FISCAL PROCEDURES, TO COMPLY WITH THE LAW, AND TO AVOID CONTINUATION OF UNACCEPTABLY HIGH JORDANIAN FMS DEFICIENCIES WHICH WOULD HAVE TO BE REPORTED TO CONGRESS. WE HOPE GOJ WILL UNDERSTAND USG'S ACTION IN THIS LIGHT.

4. YOU SHOULD APPRISE APPROPRIATE JORDANIAN OFFICIALS OF THESE FACTS AND REPORT THEIR REACTION SOONEST.

5. DOD ALSO REQUESTS THAT YOU BE INFORMED OF THE FOLLOWING KEY DATES FOR USE IN YOUR OVERALL PLANNING AND DISCUSSIONS
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OF FUTURE FMS DEADLINES WITH JAF:

(A) JUNE 24, 1977 IS THE FINAL EXPIRATION DATE FOR JAF DRAWDOWNS AGAINST FY 1975 FMS CREDIT.

(B) NOVEMBER 28, 1978 IS THE EXPIRATION DATE FOR DRAW-DOWNS AGAINST FY 1976 FMS CREDIT. (A THIRD-PARTY CO-SIGNATURE WILL HAVE TO BE OBTAINED BEFORE SUCH DRAWDOWNS CAN BE PERMITTED).

(C) SEPTEMBER 30, 1977 IS THE FINAL DATE FOR EXECUTION OF THE FY 1977 FMS CREDIT AGREEMENT WITH THE GOJ. (INTER-DEPARTMENTAL STAFFING, WHICH NORMALLY TAKES SEVERAL WEEKS, CANNOT BEGIN UNTIL THE PROBLEM OF A CO-SIGNATURE FOR THE FY 1976 FMS CREDIT AGREEMENT HAS BEEN RESOLVED).
CHRISTOPHER

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NNN

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Message Attributes

Automatic Decaptioning: X
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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Subject: FINANCING OF JORDAN FMS PROGRAM
TAGS: MASS, JO, DOD
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